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SOCIAL ENTREPRENEURSHIP AS THE MAIN RESOURCE FOR THE REGIONAL DEVELOPMENT

The article focuses on the analysis of differentiation of unemployment in Ukraine by the main socio-demographic characteristics such as age, level of education and region. It has been established the dependence between social entrepreneurship and sustainable development. It is shown that the current and future social entrepreneurship of any country directly depends on labour activity as a part of regional development. The author's definition of "social entrepreneurship" has been suggested. It is proved that social entrepreneurship is a good way to make a standard living and improved situation on the labour market.

Keywords: entrepreneur, social entrepreneurship, innovation, social innovation, sustainable development, standard of living, unemployment.

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Formulation of the problem. Regional development is an important element of national economy. It solves a wide complex of tasks, which should provide normal living conditions of people of the particular region. Therefore, the main goal of regional development is to improve the welfare due to satisfaction of their material and spiritual needs and their empowerment of choice. According to the experience of the developed European countries, social entrepreneurship has promoted achievements of this goal.

Ultimately, social entrepreneurs are the basis for the sustainable development of the country and its regions.

A high level of the social entrepreneurship would characterize a healthy society, although what is needed there might be of the independent innovation process, and cannot be predicted [11].

Social entrepreneurship improves the living conditions and invests in infrastructure such as broadband and facilities for new industries [6].

Analysis of recent studies and publications. Social entrepreneurship is a term that started to be used by a handful of people and organizations during the 1980s and 1990s within the broad arenas of civil society and regional development.

Significant contribution to the theoretical and methodological study of social entrepreneurship was done by such scientists as Joseph A. Schumpeter [12], Peter F. Drucker [4], Jan-U. Sandal [11], Nicholls A. [9], Dobrova N. [14], Kuts M. [15] and Keohane G.L. [7] etc.

However, Ukraine needs to activate the development of social entrepreneurship. Only with its participation, the middle class, whose share in developed countries is more than 50% of the total economically active population, will form a reliable foundation of a democratic society.

The problems of methodological approaches and key development stages, the social entrepreneurship in Ukraine are real, particularly within the sustainable development of the region.

The aim of the article is to study the role of social entrepreneurship and social innovation in the solving of social-economic problem and sustainable development of the regions in Ukraine.

Presentation of main results and their justification. According to the management expert Peter F. Drucker, the term "entrepreneur" (from the French, meaning "one who undertakes") was introduced two centuries ago by the French economist Jean-Baptiste Say to characterize a special

economic actor – not someone who simply sets up a business, but someone who “shifts economic resources out of an area of lower, and into an area of higher productivity and greater field” [4]. The twentieth-century growth economist Joseph A. Schumpeter characterized the entrepreneur as the source of the “creative destruction” necessary for major economic advances [12] and the driving force in economic development.

Entrepreneurs play important role in the development of modern and productive society. In Bill Drayton's view, social entrepreneurs are creative people who supply innovations with the potential to change the reasons underlying the problems and overturn the existing pattern in the local community. They have the knowledge and skills typical of business entrepreneurs, and their goals and results are the changing of entire sectors rather than just helping a few people at local level.

J. Gregory Dees [3] supports Schumpeter's theory of the entrepreneurs as an agent of change of entire segments of society and thereby regenerate the economy (and social sector) in the irreversible process of development he terms “creative destruction”. Dees bases his own analysis and definition of the meaning of social entrepreneurship on Schumpeter's theory of the entrepreneur as the catalyst and innovator of economic change [11].

Social entrepreneurs and their networks demonstrate an unrelenting focus on systemic social change that disregards institutional and organizational norms and boundaries.

Realizing that basic social services are important, also for businesses, has meant that innovations such as saving the food store, keeping the school and making the bank-branch-office stay in business have been pressing issues to engage in.

However, the mission of social entrepreneurs is solving social, economic and ecological problems. In this case, social entrepreneurship has the same pillars as the sustainable development: economic, social and ecological.

The main objective of social entrepreneurship is to make the world a better place for everyone. Similarly, the classic definition from the Brundtland “sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.

Therefore, social entrepreneurship is best understood as a multi-dimensional and dynamic construct moving across various intersection points between the public, private and social sectors [9].

Emerson acknowledged the presence of social entrepreneurship across all three sectors of society by discerning three organizational forms of social entrepreneurs:

- civic innovator;
 - founder of a revenue generating social enterprise;
 - launcher of a related revenue generating activity to create a surplus to support social vision [5].
- Historically, the main operational areas in which social entrepreneurs create change have been:
- poverty alleviation through empowerment, for example the microfinance movement;
 - education and training, such as widening participation and the democratization of knowledge transfer;
 - environmental preservation and sustainable development, such as “green” energy projects;
 - community regeneration, such as housing associations;
 - welfare projects, such as employment for the unemployed or homeless, drug and alcohol abuse projects.

Indeed, some of the most successful and innovative social entrepreneurs consciously develop cross-category activity to maximize social impact (and resource availability) across their whole value chain [9].

Among the most prominent of social-entrepreneurial organizations are Grameen Bank, Skill Builders, Halo Leisure etc. Skill Builders – Community Interest Company CIC. Skill builders CIC was established in 2001 by volunteer artisans in business wishing to support the next generation of artisans from a

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commercial sustainable platform. It provides structured vocational training in local settings and skills sectors, showcasing the products, services and attainments of young people in training and mentors at prestigious events and festivals.

It also provides networking opportunities with local businesses and educational professionals to provide a progression of learning experiences such as afterschool clubs, work experience and apprenticeships [16].

Halo Leisure – Company Limited by Guarantee. Halo Leisure was established in April 2002 to manage and develop sport and leisure services on behalf of the Local Authority, Herefordshire Council. Halo operates nine centres in the market towns of Herefordshire with over 1.6m customer visits every year. It currently employs approximately 380 staff with a full time equivalent of approximately 105.

Halo is also working to reduce its energy consumption by 20%, and is on track to do so over time. During 2009/10, Halo invested £111,000 to reduce carbon and energy costs through an energy reduction programme across all its facilities [17].

Social entrepreneurship involves taking control of the process of social change by carrying out innovation. Jan-U. Sandal defines social innovation in the following way: social innovation denotes the process whereby the individual makes free and independent decision concerning the combination and use of factors of production, with the aim of introducing a social service which improves people's lives and has not been on the market previously. The result is increased social value [11].

Social innovation - is the creation and implementation of innovations which provide changes in the social sphere, satisfy human needs and of society and impact on economic development. Social innovation is the main instrument for enhancing the standard of living which is determined by the level of needs [10].

In our opinion, social entrepreneurship is innovative activities of the person who does systemic changes in social or ecological spheres, gets profit from this activity and has considerable impact on the regional economic growth. For example, social entrepreneurs create new work places, pay taxes and improve the standard of living on the definite territory.

Ukraine has a lot of problems, which social entrepreneurship can help to decide: the low standard of living; the largest part of the unemployed people, the high poverty rate between working people.

Indeed, the standard of living in Ukraine is far behind the European and other developed countries, due to the low level of wages and the consequent poverty of the working population [10].

The average monthly wages (in dollar equivalent, at current exchange rates) in Ukraine in the period of 2000-2015, has been increased approximately 4.5 times (Table 1).

Table 1 – Dynamics of average monthly wages in various European countries, in dollar terms, at current exchange rates (calculated on the data [13])

Country	Years				
	2000	2005	2010	2015	2015 to 2000, times
Belarus	67.8	215.8	415.4	421.7	6.2
Germany	2,154.3	3,159.0	3,618.5	3,477.6	1.6
Greece	1,070.0	1,949.6	2,362.2	1,631.2	1.5
Czech Republic	365.5	832.2	1,271.2	1,064.9	2.9
Hungary	363.7	906.1	1,066.8	888.1	2.4
Poland	510.0	812.0	1,124.0	1,021.0	2.0
Ukraine	42.3	157.3	283.1	192.1	4.5
Norway	2,631.0	4,483.9	6,058.7	5,418.3	2.1
Sweden	2,279.2	3,231.9	3,995.3	3,849.0	1.7

The increase of this indicator has occurred in all European countries from 1.5 times in Greece to 6.2 times in Belarus. However, the average monthly wages in Ukraine is significantly lower than in other European countries. As a result, the low level of wages and poverty of the working population are the main barrier to economic development of the regions.

In the present time, unemployment problems are one of the most serious problems, particularly educated unemployment, which has become a world level phenomenon. Similarly, unemployment is the root cause of many social problems, particularly in under developed and developing countries [8].

The largest part of the structure of the unemployed in Ukraine are persons with basic higher education, which increased from 13.9% of economically active population in 2010 to 15.6% in 2015 (Figure 1).

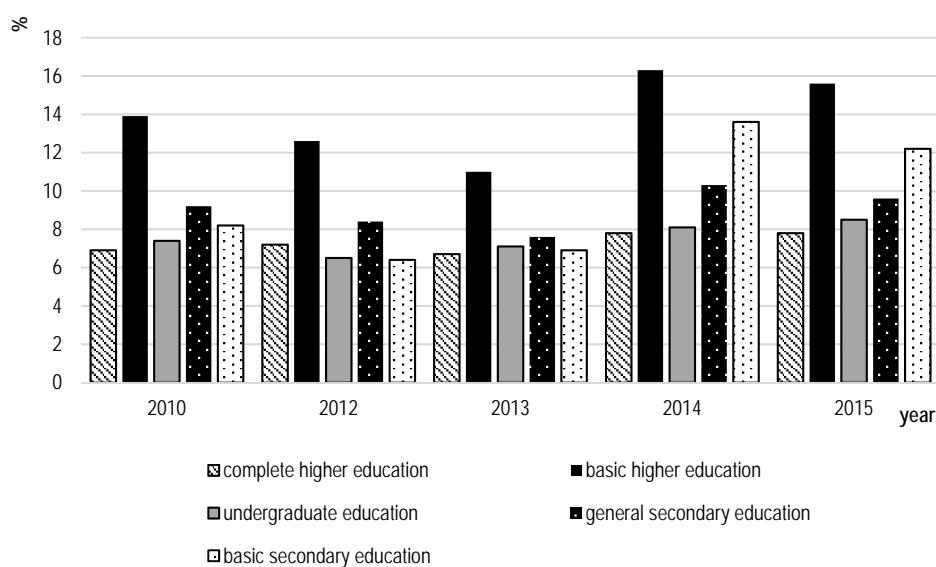


Figure 1 – Unemployment rate by educational level in Ukraine in 2010-2015
(authors', calculated on the data of the State Statistics Committee – Economic activity of the population of Ukraine in 2015)

The largest number of unemployed persons in 2015 was observed in the following regions: Donetsk'ka – 121,4 thousand persons, Dnipropetrovs'ka – 115,3 thousand persons, Kyiv City – 102,6 thousand people (Figure 2).

It should be noted that in the recent years it is young people who account for more than a half of unemployed persons sent by the state employment service to professional training and retraining courses.

On the one part, this may be explained by the fact that young persons lack sufficient qualification and, on the other part, by their readiness and ability to learn and acquire new and competitive professions and occupations.

The main reason of unemployment among people with higher education, in our opinion, is the

imperfection of the education system in Ukraine and low quality of educational services. As a result, the level of knowledge and qualification of thousands of young professionals who join the workforce every year do not meet the requirements of employers.

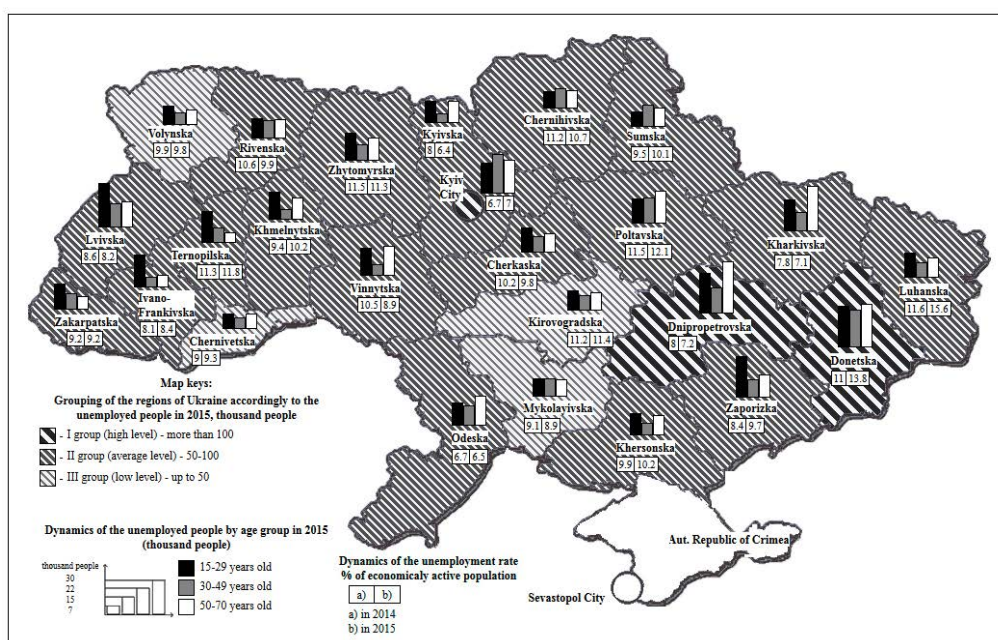


Figure 2 – The map of unemployment in the Ukrainian regions in 2015 (authors')

According to the 2030 Agenda for Sustainable Development, which was adopted on September 25th 2015, at the United Nations in New York, one of the directions to overcome the negative phenomena in employment sphere and to promote employment is to get decent work, promote entrepreneurship and ensure inclusive and equitable quality education while promoting lifelong learning opportunities for everyone.

One of the directions of modernization of the educational system in Ukraine is the introduction of facilitation as the method of non-formal education. The facilitation, when it is used properly, activates the need for self-development, personal growth and constant self-improvement and self-realization in modern society [10].

Overall, young people are more open for new ideas and are the best medium for innovative transformation and, therefore, a reduction of the unemployment rate among youth is crucial for ensuring an innovative development of the country.

In this case, social entrepreneurship is a good way to make a higher living standard and improve situation on the labour market.

Conclusions. In consequence of the performed research the social entrepreneurship as the main resource for the regional economic development have been studied. It creates jobs, wealth and capital in the country. Social entrepreneurship has the same pillars as the sustainable development: economic, social and ecological has been established.

Thus, the author's definition of "social entrepreneurship" has been suggested as an innovative activities of the person who does systemic changes in social or ecological spheres, gets profit from this activity and has considerable impact on the regional economic growth.

The analysis of differentiation of unemployment in Ukraine by the main socio-demographic characteristics such as age, level of education and region has been investigated. The largest part of the structure of the unemployed in Ukraine is a person with basic higher education has been established.

The main reason of unemployment among people with higher education, in our opinion, is the imperfection of the education system in Ukraine and low quality of educational services. As a result, the level of knowledge and qualification of thousands of young professionals who join the workforce every year do not meet the requirements of employers.

It is proved that social entrepreneurship is a good way to make a standard living and improved situation on the labour market. One of the directions of modernization of the educational system in Ukraine is the introduction of facilitation as the method of non-formal education. The facilitation, when it is used properly, activates the need for self-development, personal growth and constant self-improvement and self-realization in modern society. Young people are more open for new ideas and are the best medium for innovative transformation and, therefore, a reduction of the unemployment rate among youth is crucial for ensuring an innovative development of the country.

Social entrepreneurship is developing dynamically in Europe, contributing to solving the problems of unemployment, social security, civic engagement etc. The main mission of social entrepreneurship is to bring benefits for the community. The social entrepreneurship activities and the community should evolve side by side. Without development of social entrepreneurship, it is impossible to filling the budget, and increasing quality of life.

In the current time the most important steps for the development of social entrepreneurship in Ukraine are:

- to start development of an entrepreneurial school, an entrepreneurial youth camp for inspire young people;
- to help adults with business ideas to realize their visions of life;
- to recognize the different legal forms of social enterprises at the legislative level;
- to establish tax incentives and subsidies for the development of social enterprises.

The prospect of further research is determined in investigation the different funding sources of social entrepreneurship in Ukraine.

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Соціальне підприємництво як головний ресурс регіонального розвитку

Стаття присвячена аналізу диференціації безробіття в Україні за основними соціально-демографічними характеристиками, такими як вік, рівень освіти і регіон. Була встановлена залежність між соціальним

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підприємництвом та сталим розвитком. Показано, що нинішнє і майбутнє соціальне підприємництво будь-якої країни безпосередньо залежить від трудової активності населення і є частиною регіонального розвитку. Запропоновано авторське визначення поняття "соціальне підприємництво". Доведено, що соціальне підприємництво є найкращим засобом підвищення рівня життя і покращення ситуації на ринку праці.

Ключові слова: підприємець, соціальне підприємництво, інновації, соціальні інновації, сталий розвиток, рівень життя, безробіття.

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Социальное предпринимательство как главный ресурс регионального развития

Статья посвящена анализу дифференциации безработицы в Украине за такими социально-демографическими характеристикам, как возраст, уровень образования и регион. Показано, что нынешнее и будущее социальное предпринимательство любой страны напрямую зависит от трудовой активности и является частью регионального развития. Предложено авторское определение понятия "социальное предпринимательство". Доказано, что социальное предпринимательство является хорошим способом улучшения уровня жизни и ситуации на рынке труда.

Ключевые слова: предприниматель, социальное предпринимательство, инновации, социальные инновации, устойчивое развитие, уровень жизни, безработица.

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